

## Message Text

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56

ORIGIN OES-05

INFO OCT-01 AF-06 ARA-10 EUR-12 EA-09 NEA-10 IO-10 ISO-00

ERDA-07 /070 R

66610

DRAFTED BY: USERDA:DJSHILLER:IPI

APPROVED BY: OES/NET/IM:DHOYLE

IO SCT:FLANCETTI	NEA/EGY:GBEYER
EUR/WE:WMARSH	EA/CE:RCASAGRANDE
EA/SE:BSCARLIS	NEA/INS:BBROWN
NEA/IRN:CNAAS	NEA/IAI:WSMITH
EUR/WE:JSWIHART	EA/K:JFORBES
EUR/NE:NACHILLES	EA/EP:RIMUS
EUR/WE:MDURKEE	AF/S:DCHRISTENSEN
EUR/NE:PCANNEY	EUR/CE:SCLINGAMAN
EA/ROC:BLEVIN	EA/TB:JKLEMSTINE
EUR/NE:SWORREL	EUR/EE:RCHRISTENSEN
EA/J:DSMITH	ARA/BR:RELTZ

----- 084116

R 012053Z OCT 75

FM SECSTATE WASHDC

TO AMEMBASSY VIENNA

AMEMBASSY CAIRO

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY ATHENS

AMEMBASSY NEW DELHI

AMEMBASSY TEHRAN

AMEMBASSY TEL AVIV

AMEMBASSY ROME

AMEMBASSY SEOUL

AMEMBASSY THE HAGUE

AMEMBASSY MANILA

AMEMBASSY LISBON

AMEMBASSY PRETORIA

AMEMBASSY MADRID

AMEMBASSY STOCKHOLM

AMEMBASSY BERN

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AMEMBASSY TAIPEI

AMEMBASSY BANGKOK  
AMEMBASSY LONDON  
AMEMBASSY BELGRADE  
AMEMBASSY BRUSSELS  
AMEMBASSY TOKYO  
AMEMBASSY BUENOS AIRES  
AMEMBASSY BRASILIA  
USMISSION IAEA VIENNA  
INFO AMCONSUL RIO DE JANEIRO

UNCLAS STATE 233909

BRUSSELS FOR JULIUS H. RUBIN, ERDA REP; TOKYO FOR WILLIAM  
W. HENOCK, ERDA SCI REP; BUENOS AIRES FOR ROBERT H.  
WILCOX; RIO DE JANEIRO FOR ROBERT GOECKERMAN

E.O. 11652: N/A

TAGS: TECH

SUBJ: TERMINATIONS AND REINSTATEMENTS OF USERDA CONTRACTS  
RELATIVE TO UEA

1. REITERATION OF USERDA POSITIONS APPEARS NECESSARY. ACCORD-  
INGLY, TEXT OF RECENT USERDA LETTER TO UEA IS GIVEN BELOW FOR  
YOUR INFORMATION AND THAT OF ANY INTERESTED USERDA CUSTOMERS.

2. "IN YOUR LETTER OF JULY 15, 1975, TO DR. SEAMANS, YOU  
INDICATED TWO CONCERNS EXPRESSED BY POTENTIAL UTILITY CUSTOMERS  
OF UEA WHO NOW HOLD ERDA ENRICHMENT CONTRACTS. THE FIRST  
CONCERN RELATED TO THE APPARENT NEED TO CONSUMMATE AN AGREEMENT  
WITH UEA PRIOR TO AUGUST 18, 1975 OR LOSE THE RIGHT TO FREE  
TERMINATION IN WHOLE AVAILABLE UNDER ERDA'S EXPANDED CONTRACT  
OPTION. THE SECOND CONCERNED THE REINSTATEMENT OF ERDA CON-  
TRACTS CANCELLED IN FAVOR OF A PRIVATE ENRICHER, SHOULD THE  
NUCLEAR FUEL ASSURANCE ACT OF 1975 NOT PASS CONGRESS."

3. "THOSE CONCERNS ARE ALREADY COVERED BY ERDA POLICY. AS WAS  
STATED TO ERDA UTILITY CUSTOMERS IN OAK RIDGE AND IN BRUSSELS  
DURING THE WEEK OF JULY 21-25, 1975, SHOULD AN ERDA CUSTOMER  
DESIRE TO BE TERMINATED BY ERDA, WITHOUT REGARD TO THE EXPANDED  
CONTRACT OPTION, IN ORDER TO CONTRACT WITH A U.S. PRIVATE ENRICHER,  
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RDA WOULD HONOR SUCH REQUESTS WITHOUT CHARGE IF A FIRM COMMITMENT  
TO A U.S. SUPPLIER HAS BEEN MADE FOR THOSE SERVICES. THIS WOULD  
BE DONE TO THE EXTENT THAT THE COMMITMENTS SO TERMINATED ARE  
BEYOND THOSE WHICH ERDA CAN SUSTAIN AT DESIRED FUTURE OPERATING  
CONDITIONS."

4. "IN SUCH CASES, ERDA WOULD RETURN ANY ADVANCE PAYMENTS WHICH  
ARE NOT REQUIRED AS PAYMENTS FOR ENRICHING SERVICES FURNISHED

TO THE CUSTOMER OR TO BE FURNISHED TO THE CUSTOMER UNDER THE PORTION, IF ANY, OF THE ERDA CONTRACT NOT SO TERMINATED. THERE IS NO ARBITRARY DEADLINE CONNECTED WITH THIS OFFER."

5. "WITH RESPECT TO YOUR SECOND POINT, IT IS REASONABLE TO EXPECT THAT UTILITY CUSTOMERS OF ERDA COULD EXECUTE APPROPRIATE COMMITMENTS TO UEA, CONTINGENT UPON PASSAGE OF THE PROPOSED NUCLEAR FUEL ASSURANCE ACT OF 1975 AND THE EXECUTION BY ERDA AND UEA OF AN APPROPRIATE COOPERATIVE ARRANGEMENT PURSUANT TO SUCH LEGISLATION. SHOULD SUCH CONTINGENCIES NOT OCCUR, UTILITIES COULD SIMPLY MAINTAIN THEIR EXISTING STATUS WITH ERDA, AND THEREFORE WOULD BE FULLY PROTECTED. ERDA CUSTOMERS WHO ARE CONSIDERING SUCH AN APPROACH SHOULD, PRIOR TO ENTERING INTO ANY CONTINGENT CONTRACT WITH UEA, ASCERTAIN FROM ERDA WHETHER THE COMMITMENTS UNDER THEIR ERDA CONTRACT ARE DEEMED TO BE BEYOND THOSE WHICH ERDA CAN SUSTAIN AT DESIRED FUTURE OPERATING CONDITIONS." INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONTRACTS, NEGOTIATIONS, FINANCIAL CONTRIBUTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 OCT 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE233909  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** USERDA:DJSHILLER:PI  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750342-0021  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19751095/aaaadgwx.tel  
**Line Count:** 132  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN OES  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** RowellE0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TERMINATIONS AND REINSTATEMENTS OF USERDA CONTRACTS RELATIVE TO UEA  
**TAGS:** TECH, ERDA, UEA  
**To:** VIENNA MULTIPLE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006